



APC GROUP INC.

## **RISK OVERSIGHT COMMITTEE CHARTER**

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Risk Oversight Committee (the “Committee”).

### **1. PURPOSE**

The Committee assists and advises the Board of Directors (the “Board”) in fulfilling its oversight responsibilities to ensure the quality and integrity of the Company’s business and financial risk profile, risk management system and accomplishment of its objectives. The Committee may assist the Audit Committee in overseeing the Company’s process for monitoring compliance with laws, regulations and Code of Business Conduct and Ethics, and may also perform other duties as the Board may require.

### **2. COMPOSITION**

The Committee shall consist of at least three (3) members of the Board of Directors, majority of whom shall be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other Committee. At least one member of the Committee shall have relevant thorough knowledge and experience on risk and risk management.

### **3. MEETINGS**

The Committee shall meet at least two (2) times a year. The Committee may invite members of Management or others to attend meetings and provide pertinent information, as necessary. The Committee Secretary, under the direction of the Committee Chairperson, shall prepare the agenda and provide the Committee Members advance notice of meetings, the agenda, along with appropriate briefing materials. Minutes of the meeting shall be provided to the members within days after the said meeting.

### **4. RESPONSIBILITIES**

4.1 In pursuit of its purpose, duties and responsibilities, and so authorized by the Board, the Committee shall:

Establish a formal enterprise risk management plan containing the following:

- 4.1.1 Common language or register of risks;
- 4.1.2 Clear-cut risk management goals, objectives and oversight;
- 4.1.3 Standardized processes of determining risks, considering IT issues, particularly on disruption, cyber security, and disaster recovery, and establishing strategies to manage prioritized risks;
- 4.1.4 Crafting and carrying out risk management strategies, and
- 4.1.5 Continuing evaluation to improve risk strategies, processes and measures
  - 4.1.5.1 Evaluates the risk management plan for effectiveness. The Committee reviews the risk management strategies, takes into account the changes in risk

exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;

4.1.5.2 Review the Company's policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks;

4.2 Manages the application of the enterprise risk management plan through a Management Risk Oversight Committee. The BROCC conducts regular discussions on the company's prioritized and continuing risk exposures based on regular risk management reports and evaluates how the concerned departments are responding to and handling these risks;

4.3 Keeps the Board informed on the company's risk appetite levels and risk tolerance boundaries;

4.3.1 Re-assess, at least once a year, the company's risk appetite levels and risk tolerance boundaries based on business changes and developments, the regulatory structure, external economic and business conditions, and when major events happen which are considered to have major effects on the company;

4.4 Reviews the probability of each recognized risk becoming a reality and assesses its possible significant financial impact and likelihood of occurrence. Priority of areas of concern are those risks that are the most likely to happen and impact the accomplishment and stability of the corporation and its stakeholders;

4.5 Provides oversight over Management's activities in managing credit, market, liquidity, operational, compliance, environmental, reputational, legal and other risk exposures of the corporation. This duty includes regularly being given information on risk exposures and risk management activities from Management;

4.5.1 The Committee may engage a consultant for a more independent assessment of the risk management infrastructure and review of processes in place.

4.6 Report to the Board the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans.

4.7 Perform other activities related to this Charter as requested by the Board.

4.8 Review the Committee Charter annually, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

4.9 Evaluate the Committee's and individual members' performance on a regular basis.

## 5. REPORTING RESPONSIBILITIES

5.1 Regularly report to the Board the Committee's activities, findings, decisions, deliberations and recommendations.

5.2 Review any other reports the Company issues that relate to the Committee responsibilities.

## 6. ANNUAL REVIEW OF CHARTER

The Committee shall conduct an annual review of this Charter and propose any enhancements as may be deemed necessary for Board approval.

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